SUPREME COURT OF THE UNITED STATES.

Nos. 422 and 423.—October Term, 1936.

National Labor Relations Board, Petitioner,		On Writs of Certiorari to the United States Circuit Court of Appeals for the Second Circuit.
422	*vs.*	
Friedman-Harry Marks Clothing Company, Inc.		
National Labor Relations Board, Petitioner,		
423	*vs.*	
Friedman-Harry Marks Clothing Company, Inc.		

[April 12, 1937.]

Mr. Chief Justice Hughes delivered the opinion of the Court.

The National Labor Relations Board, by its orders of March 28, 1936, required the respondent, Friedman-Harry Marks Clothing Company, Inc., to cease and desist from discharging any of its employees or otherwise discriminating in regard to the tenure and conditions of their employment, and from threatening such action, for the reason that such employees have joined or assisted the Amalgamated Clothing Workers of America or otherwise engaged in union activity; from maintaining surveillance of the activities of the labor organization and of their employees in connection therewith; and from interfering in any manner with, or coercing, its employees in the exercise of their right to self-organization and representation for the purpose of collective bargaining or other mutual aid or protection as guaranteed in Section 7 of the National Labor Relations Act. The orders also required respondent to offer reinstatement to certain discharged employees, to make good their loss of pay, and to post notices for thirty days that respondent would cease and desist from the practices restrained by the orders. The Circuit Court of Appeals refused to enforce the orders, 85 F. (2d) 1, and this Court granted certiorari.

The proceeding was initiated by the National Labor Relations Board upon charges that the respondent had discharged certain employees because they had engaged in union activities. The Board issued two complaints alleging unfair labor practices within the meaning of the National Labor Relations Act. Notice of hearing was given, Respondent appeared specially and moved to dismiss the complaints upon the grounds that the Act, and the proceedings before the Board, were in contravention of Articles I and III and the First, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth and Thirteenth Amendments of the Constitution of the United States. Reserving these objections, respondent filed answers denying all the allegations of the complaints except that respondent is a Virginia corporation engaged in the business of manufacturing men's clothing in Richmond. The Board overruled the objections to its jurisdiction and the validity of the Act. For the purpose of presenting the constitutional questions, and to expedite the proceedings, counsel for respondent announced at the beginning of the hearings "that he would not cross-examine any of the Board's witnesses and would not offer any countervailing evidence". The Board received evidence and made its findings. There were numerous objections by respondent to the competency and relevancy of certain testimony.

The Board found: Respondent, a Virginia corporation, has its plant at Richmond, where it is engaged in the purchase of raw materials and the manufacture, sale and distribution of men's clothing. The principal materials are woolen and worsted goods. 99.57 per cent. of these goods come from States other than Virginia, 75 per cent. being purchased in New York and fabricated for the most part in other States. Cotton linings come from several southern States. Particulars as to the sources of other materials are set forth. Of the garments manufactured by respondent, 82.8 per cent. are purchased by customers outside the State, mainly by department stores and men's clothing stores in the larger cities throughout the country. Respondent maintains a sales office and showroom in New York City through which 15 or 20 per cent. of the total sales are made. Orders are sent to the Richmond plant, the goods being sold f.o.b. Richmond. In 1932, the volume of respondent's business amounted to $800,000 and 80,000 units, increasing to $1,750,000 and 150,000 units in the first ten months of 1935.

The Board made elaborate findings with respect to the clothing manufacturing industry and its relation to interstate commerce. Among these findings are the following: The men's clothing industry is among the twenty most important manufacturing industries in this country. 50 per cent. of the manufacturing establishments are in the State of New York; most of the remainder are in Pennsylvania, Maryland, New Jersey, Illinois, Massachusetts, California and Ohio. Since the men's wear fabrics are produced largely in the New England States, the goods must be transported from the mills across state lines to the fabricating establishments in the States above mentioned. The manufactured clothing is sold throughout the nation, only about 48 per cent. of the total sales being made in the seven States which produce about 90 per cent. of the total men's clothing. The findings describe the methods of sales, the New York market being the largest in the country. The Board concluded: "The men's clothing industry is thus an industry which is nearly entirely dependent in its operations upon purchases and sales in interstate commerce and upon interstate transportation. There is a constant flow of raw wool from the western States and foreign countries to the mills of New England where it is transformed into men's wear fabrics, thence to the sponging and shrinking plants of New York and Philadelphia, then, joined by the other necessary raw materials, to the fabricating factories of the Middle Atlantic States for manufacture into clothing. . . . The industry itself has no doubt as to its status, for the Executive Director of the New York Clothing Manufacturers Exchange, Inc., which represents about 250 manufacturers doing 70 per cent. of the total business in the New York market, stated in his affidavit that the industry is conducted as an interstate business and is entirely dependent upon interstate commerce".

The Board also made findings in relation to the labor organization here involved. The Board found: "The Amalgamated Clothing Workers of America is a labor organization composed of over 125,000 men and women employed in the men's and boys' clothing industry. . . . The period before the recognition by the employers of the Amalgamated was marked by long and bitter strikes. In 1921 there had been a general strike in New York City which had lasted for eight months and caused losses of millions of dollars to employers and employees. A similar general strike in New York in

1924 lasted for six weeks and involved all of the 500 firms in that area and their 35,000 workers. The wage loss to the workers was nearly $6,000,000, the financial loss to the manufacturers ran into the millions. . . . This costly industrial strife resulted finally in recognition of the Amalgamated by the employers. . . . The New York strike of 1924 was ended by the establishment of a collective agreement between the leading manufacturers and the Amalgamated which was soon joined in by other manufacturers in that area. Factories in Rochester, Baltimore, Boston, Cincinnati, Cleveland, St. Louis and Philadelphia recognized the union and entered into agreements with it. Today the Amalgamated has collective agreements with clothing manufacturers and contractors employing the greater number of the clothing workers in the United States. These collective argreements have brought peace to that portion of the industry that has entered such agreements. . . . Since the signing of the collective agreement for the New York area, the New York Clothing Manufacturers Exchange, Inc. and the Amalgamated have handled jointly a total of 21,193 complaints and disputes. In only 898 of these cases, or slightly over 4 per cent., was a resort to arbitration required because of inability to agree. Of these 898, 30 per cent. were settled by the impartial chairman acting as a mediator; in the remainder he sat as an arbitrator and rendered a decision. . . . The President of the New York Clothing Manufacturers Exchange, Inc. . . . has stated that the 'organization of collective bargaining machinery, the establishment of an impartial tribunal, and the founding of unemployment insurance are the outstanding achievements' in the industry and that the Amalgamated Clothing Workers 'has been perhaps the largest single contributing factor to the lasting peace and harmony that have characterized those clothing markets where the Amalgamated Clothing Workers of America was the other contracting party to the collective agreement' ".

With respect to unfair labor practices, the Board found that in the summer of 1935 employees of respondent had formed a local union of the Amalgamated Clothing Workers of America and were soliciting membership therein. Respondent's management "at once indicated hostility to the union organization of its employees and declared that it would not permit them to join the Amalgamated". Statements of the president of the respondent showing his an-

tagonism to the union were quoted by the Board. At one time he stated to a group of employees that he would discharge every one that attended the union meeting. Similar statements were made by respondent's secretary. Respondent's management "has maintained surveillance over union meetings and activities". The findings set forth the circumstances of the discharge of employees. The Board concluded that these discharges were because of the membership of the employees in the labor organization and their activities in connection with it. The Board also found that interference in the industry with the activities of employees in joining and assisting labor organizations and the refusal to accept the procedure of collective bargaining had led and tends to lead to strikes and other labor disputes that burden and obstruct commerce.

The findings of the Board both as to the nature of respondent's business and the circumstances of the discharge of its employees are supported by the evidence.

For the reasons stated in our opinion in No. 419, *National Labor Relations Board* v. *Jones & Laughlin Steel Corporation*, decided this day, we hold that the objections raised by respondent to the construction and validity of the National Labor Relations Act are without merit. The decrees of the Circuit Court of Appeals are reversed and the causes are remanded for further proceedings in conformity with this opinion.

It is so ordered.